



City of Norfolk
Fiscal Year 2007
Emergency Shelter Grant (ESG)

**APPLICATION REVIEW, DECISION PROCESS OVERVIEW
AND FY07 CALENDAR**

Deadline December 16, 2005 by 5:00p.m.

***Please Note: Late Applications will not be accepted.
Separate applications must be submitted for each project.
All other applications are obsolete.***

- The application review process has three phases:
 - **Phase One:** Applications are reviewed by the Consolidated Plan Work Group, which consists of staff from City departments and agencies. Applications are initially reviewed for their eligibility under federal program guidelines. Eligible projects are then reviewed according to their contribution to the goals and objectives of the City's approved Consolidated Plan, their ability to help the City meet federal program guidelines, and other local priorities. Organizational capacity, experience, and past performance are also considered. Working with the Consolidated Plan Work Group is the **Citizen's Advisory Group. This group is composed of representatives from organizations and groups that advocate for low income persons or persons residing in areas affected by public actions. This group serves in an advisory capacity.**
 - **Phase Two:** The Consolidated Plan Work Group prepares a recommendation that is forwarded to the Norfolk City Planning Commission. The Commission holds a public hearing on this recommendation, and subsequently, prepares its recommendation, which is forwarded to the City Council.
 - **Phase Three:** The Norfolk City Council holds a public hearing on the City Planning Commission recommendation. The action of City Council adopts the Consolidated Plan, finalizing the budgets. Upon completion of the process, the City forwards the adopted Annual Plan to the U.S. Department of Housing and Urban Development for approval.
- Projects considered at the City Planning Commission and City Council public hearings are limited to those submitted according to the guidelines and timetables outlined in this package. Applicants are strongly encouraged to attend and participate at these public hearings.
- More detailed information describing these and other related citizen participation processes for the Annual Plan are found in Norfolk's approved Citizen Participation Plan. A copy of that plan can be obtained from Norfolk's Office of Grants Management, 810 Union Street, Room 508, Norfolk, VA 23510, or by calling (757) 664-4080.

EVALUATION CRITERIA

Demonstrated Need	Max. Points 20												
Project Description and Effectiveness	Max. Points 20												
Demonstrated Experience and Capacity	Max. Points 20												
Budget Completeness and Program Efficiency	Max. Points 20												
Financial Strength/Funding Leverage	Max. Points 10												
Collaboration with Other Agencies	Max. Points 5												
Preparedness for Outcomes Based Measurement	Max. Points 5												
<table> <tr> <th><u>Rating</u></th><th><u>Maximum Points</u></th></tr> <tr> <td>Very High</td><td>81-100</td></tr> <tr> <td>High</td><td>61-80</td></tr> <tr> <td>Average</td><td>41-60</td></tr> <tr> <td>Low</td><td>21-40</td></tr> <tr> <td>Very Low</td><td>0-20</td></tr> </table>		<u>Rating</u>	<u>Maximum Points</u>	Very High	81-100	High	61-80	Average	41-60	Low	21-40	Very Low	0-20
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Very High	81-100												
High	61-80												
Average	41-60												
Low	21-40												
Very Low	0-20												

FY 2007 Calendar*

Request for Proposal (Application) Release Date	Tuesday, October 25, 2005
Technical Assistance Workshop	Thursday, November 10, 2005
Deadline for Proposal Submissions	Friday, December 16, 2005
Application Interviews	February 2006
Notice of Requests that do not meet Funding Requirements	March 2006
City Planning Commission's Public Hearing on Proposed Use of Funds Statement	March 2006
City Council's Public Hearing on the Proposed Use of Funds Statement	April 2006
Letters of Awards/Denials	April 2006
Funding Year Begins	July 1, 2006

**All Dates are tentative. Exact dates to be determined (TBD). Notices of all public hearings will be placed in the Virginia Pilot-Ledger Star and the New Journal Guide. Please watch for these notices to confirm dates and times of Public Hearings.*

EMERGENCY SHELTER GRANT PROGRAM

Application Information

I. Introduction

The Emergency Shelter Grant Program (ESG) is committed to sheltering families and individuals who find themselves chronic victims of homelessness. It continues its primary goal to support the efforts of the Norfolk Homeless Consortium (NHC) to meet the overall needs of the homeless as well as prevent homelessness.

II. Norfolk's ESG Program Parameters

The City of Norfolk's Department of Human Services (NDHS) focuses on the following strategies to complete the priority objective to eliminate chronic homelessness in the City of Norfolk:

- Continue to support and lead efforts for programs that help to prevent homelessness;
- Support and monitor eligible activities of established Emergency Shelter Programs;
- Encourage transitional housing arrangements and programs; and
- Support creative and innovative supportive services provided by ESG and recipients.

Goals include improving the quality of existing emergency shelters for the homeless, creating additional emergency shelters, assisting with the costs of operating emergency shelters, and of providing essential social services to homeless individuals, and to help prevent homelessness.

HUD allocates ESG funds annually based on the formula used for the Community Development Block Grant (CDBG).

Applicants and recipients must be in compliance with all Federal Regulations including CFR Title 24, PART 576 - EMERGENCY SHELTER GRANTS PROGRAM: McKinney-VENTO HOMELESS ASSISTANCE ACT.

The policy and guidelines listed below are taken directly from the Emergency Shelter Program Desk Guide published March 2001.

III. Priority Considerations

Projects that directly contribute to reducing and preventing homelessness will receive greater consideration.

Projects located in the following neighborhoods will be given greater consideration - - Berkley, Lamberts Point, Huntersville, Park Place, and Brambleton.

IV. Eligible Applicants

Private nonprofit organizations, in accordance with 42 U.S.C. 11373(c).

Applicants must demonstrate the financial management and programmatic expertise to successfully develop, design, implement and monitor the proposed activities. This expertise is demonstrated through previous experience in successfully developing projects similar to the one proposed, either by partners or key staff within the business or organization.

Applicants must be able to meet other federal requirements relative to ESG program, specifically those concerning equal opportunity and fair housing, affirmative marketing, environmental review, displacement, relocation, and acquisition, labor, lead-based paint, conflict of interest, debarment and suspension, and flood insurance. Compliance with federal requirements includes those found in CFR Title 24, PART 576 - EMERGENCY SHELTER GRANTS PROGRAM: McKinney-VENTO HOMELESS ASSISTANCE ACT. All applicants should be aware that additional federal requirements apply.

Primarily Religious Organizations applicants must also comply with Title 24, Part 576, Subpart B, Sec. 576.23 Limitations.

V. Eligible Activities

While most of the terms of serving all homeless subpopulations are flexible, ESG program legislation and implementing regulations do limit the types of activities and amounts of funds that can be spent on different activities. There are five major categories of eligible activities ESG grant amounts may be used for one or more of the following activities relating to emergency shelter for the homeless:

Renovation, major rehabilitation, or conversion of buildings for use as emergency shelters for the homeless; provision of essential services to the homeless, subject to the limitations in CFR 24 Sec. 576.21; Payment for shelter maintenance, operation, rent, repairs, security, fuel, equipment, insurance, utilities, food, and furnishings. Not more than 10 percent of the grant amount may be used for costs of staff;

Developing and implementing homeless prevention activities, subject to the limitations in 42 U.S.C. 11374(a) (4) and CFR 24 Sec. 576.21. Grant funds may be used under this paragraph to assist families that have received eviction notices or notices of termination of utility services only if the conditions stated in 42 U.S.C. 11374(a)(4) are met; and Administrative costs, in accordance with 42 U.S.C. 11378.

Emergency Shelter Renovation, Rehabilitation or Conversion

The quality and quantity of emergency shelters and transitional housing may be increased with ESG funds through conversion or major rehabilitation or renovation of existing buildings.

Legislation and Regulation

The legislation mentions three types of shelter improvement activities.

Eligible Activities 42 U.S.C. 11374

In General, Assistance provided under this subtitle may be used for the following activities relating to emergency shelter for homeless individuals: The renovation, major rehabilitation, or conversion of buildings to be used as emergency shelters.

Definitions

The regulation differentiates the three types of improvements and bases continued use restrictions for the shelter on the level of improvement.

Renovation, Rehabilitation and Conversion 24 CFR 576.3

Conversion means a change in the use of building to an emergency shelter for the homeless under this part, where the cost of conversion and any rehabilitation costs exceed 75 percent of the value of the building after conversion. *Major rehabilitation* means rehabilitation that involves costs in excess of 75 percent of the value of the building before rehabilitation.

Renovation means rehabilitation that involves costs of 75 percent or less of the value of the building before rehabilitation.

Value of the building means the monetary value assigned to a building by an independent real estate appraiser, or as otherwise reasonably established by the grantee or the State recipient.

Use Restrictions on Renovation, Major Rehabilitation, and Conversion

The statute and regulation require certain continued use standards for shelters receiving ESG funds for improvement based upon the amount of the improvement. Major rehabilitation and conversion are defined as the costs of improvements that are *more than 75 percent* of the value of the building before rehabilitation. A shelter receiving this level of improvement must be used as a shelter for at least *10 years*. Renovation is defined as the costs of improvements that are *less than 75 percent* of the value of the building before rehabilitation. A shelter receiving this level of improvement must be used as a shelter for at least *3 years*.

Timing of Three or Ten Year Use Requirement

The regulation specifies the dates for determining when the 3 – and 10 – year use requirements begin.

Use as an Emergency Shelter 24 CFR 576.63

Calculating the applicable period. The 3 – and 10 – year periods applicable under paragraph (a) of this section begin to run:

- (1) In the case of a building that was not operated as an emergency shelter for the homeless before receipt of grant amounts under this part, on the date of initial occupancy as an emergency shelter for the homeless.
- (2) In the case of a building that was operated as an emergency shelter before receipt of grant amounts under this part, on the date that grant amounts are first obligated for the shelter.

Thus, for either the 3 – and 10 – year period of use, the use requirement starts on the *date of initial occupancy* for a building that had not previously been operated as a shelter. The *date the ESG funds are obligated to a shelter* starts the applicable use requirement where the building was previously operated as a shelter.

Ineligible Activities

- Ineligible **rehabilitation** or **renovation** costs include:
- Acquisition of real property;
- New Construction;
- Property clearance or demolition;
- Rehabilitation administration;
- Staff training or fund raising activities associated with rehabilitation; and
- Building maintenance and repairs.

[Please note that acquisition and new construction **are not** eligible ESG – funded activities.]

Essential Services

Essential services can address the immediate needs of the homeless, help homeless persons become more independent and help the homeless secure permanent housing. The provision of essential services includes services concerned with employment, health, drug abuse or education.

Essential services also include:

- Assistance in obtaining permanent housing;
- Medical and psychological counseling and supervision;
- Employment counseling;
- Nutritional counseling;
- Substance abuse treatment and counseling;
- Assistance in obtaining other Federal, State and local assistance in which there is a need or entitlement (ex. SSI, veteran pension, food stamps, etc.);
- Other services such as child care, transportation, job placement and job training; and
- Staff salaries necessary to provide the above services.

The legislation and the regulation both limit the amount the ESG funds that may be spent on essential services (30 percent subject to waiver).

****Not more than 30 percent of the total amount of all ESG grant funding can be used for eligible activities under essential services. Thus, individual recipients of ESG funds for essential services are each not limited to a percentage of their grant, just as long as the overall 30 percent is not exceeded.**

Ineligible Activities

- Existing services and staff (services must be new or expanded/provided\ to more people);
- Salary of case management supervisor when not working directly on participant issues;
- Advocacy, planning and organization capacity building;
- Staff recruitment / training; and
- Transportation cost not directly associated with service delivery.

Operational Costs

ESG funds can cover a broad array of emergency shelter and transitional housing operating costs. Eligible activities include:

- Maintenance;
- Operational expenses (means expenses incurred by the project to operate the facility or program);
- Insurance;
- Utilities;
- Furnishing;

- Administration of the operation;
- Fuel; and
- Equipment for housing on the program.

****Payment is for shelter maintenance, operation rent, repairs and security. However, not more than 10 percent of the grant amount may be used for cost of staff. Staff salaries (including fringe benefits paid under the operating costs category are limited to 10 percent of the grant. Maintenance and security salary cost are not subject to the 10 percent standard.**

Ineligible Activities: (under the category of operating or maintenance)

- Recruitment or on-going training of staff;
- Depreciation;
- Cost associated with the organization rather than the supportive housing project;
- Staff training, entertainment, conferences, or retreats;
- Public relations on fund raising;
- Bad debts / late fees; and
- Mortgage payments.

Homeless Prevention Activities:

Cover financial assistance and supportive services that help prevent persons from becoming homeless. Eligible financial services include financial assistance to:

- Families unable to make the required payments due to a sudden reduction in income;
- Necessary to avoid eviction or termination services;
- If provided to families for a temporary period of until the family is able to resume payments in a reasonable amount of time; and
- Is offered when it does not supplant funding for pre-existing homelessness prevention activities from other sources.

****Not more than 30 percent of the total amount of the grant funding can be used to provide the financial services listed above.**

Homeless Prevention means activities or programs that provide:

- Short-term subsidies to defray rent and utility arrearages for families that have received eviction notices or utility termination notices;
- Security deposits for first month's rent to permit a homeless family to move into its own apartment;
- Mediation programs for landlord-tenant disputes;

- Legal services programs for the representation of indigent tenants in eviction proceedings;
- Payments to prevent foreclosure on a home; and
- Any other innovative programs and activities designed to prevent the incidence of homelessness.

****Only 30 percent of the total grant amount can be used for homeless prevention activities. The statutory limitation is not available.**

Ineligible Activities

Ineligible **homeless prevention** costs include:

- Housing / services to homeless persons;
- Direct payments to individuals;
- Long – term assistance beyond several months; and
- Application for Federal Funds or Un-programmed Funds.

All projects must be located within City of Norfolk boundaries.